

EXHIBIT 149

Message

From: Lawrence Koh [REDACTED]@google.com]
Sent: 12/4/2019 3:07:36 PM
To: Mike Marchak [REDACTED]@google.com]
CC: Karan Gambhir [REDACTED]@google.com]; Samer Sayigh [REDACTED]@google.com]; Lei Zhang [REDACTED]@google.com]; Purnima Kochikar [REDACTED]@google.com]
Subject: Re: ABK update - Armin mtg 11/26

Just received an update from Karen that she will be syncing up with Don later today about possibly getting this ABK deal added to the Dec 12th BC review. I let her know that if we do move forward with that date, we will need to start setting up a pre-BC review with all of the exec stakeholders (Play, Cloud, YT, Ads) asap and she agreed to take point on that.

I also setup a meeting for later today with some of the folks on this thread + Play Finance to get everyone updated on the latest deal terms. Will plan on using that time to evaluate the deal that's being discussed and start putting together a pre-brief doc for Sameer so that he gets a heads up about this coming his way.

On Tue, Dec 3, 2019 at 1:35 PM Mike Marchak <[REDACTED]@google.com> wrote:
+Samer Sayigh

On Tue, Dec 3, 2019 at 12:42 PM Karan Gambhir <[REDACTED]@google.com> wrote:
 To add, just got a note from Cloud mentioning that TK is meeting with Bobby on December 16. That explains the urgency and adds context.

Question now additionally becomes, is the deal being proposed to ABK the right one for Google given that there is a large GCP upside (saw a draft doc that talks about a 80m/120m commit)? I see a few options:

1. Let the team go ahead with the \$100m offer that is being proposed - not good for Play as it opens us up to issues with Tencent, Supercell, Riot in the near future
2. Confirm that we are ok with a 2.5% credit for GCP conditional to the rest of the offer being agreed to, and put the urgency back on ABK to make a more rational ask (we already offered \$70m in the last meeting between Don and Cuddy) - delays negotiations and potentially and Cloud decision
3. Respond with a counter proposal of \$75-80m (upping investment in ads plus maybe Mana? compared to the earlier ask), including 2.5% GCP credits - they are in a hurry to make a decision on Cloud as they have a counter offer from competition - upping some remaining investments from our side could hurry up their final call. This helps remain within the GVP construct as well

Lets discuss when we meet.

Regards,
 Karan

On Tue, Dec 3, 2019 at 8:37 AM Karan Gambhir <[REDACTED]@google.com> wrote:
 We can bump up Ads credits to \$35m, which is an incremental \$8m to the last offer we made to them (and will almost completely wipe out our Ads buffer), but not sure if we should just yet. Also, on YouTube I agree with Lei - the right spirit of a deal should be where we share revenue and not commit them a payment and fend for the rest ourselves. Plus the YouTube ask is not part of the GVP construct.

Question - is there a chance to strike a deal in a commanding position versus what seems like trying to appease ABK? Lawrence and I discussed yesterday that this seems like we are in a rush to close the deal and try to agree to a 10% net rev share reduction just because Bobby wants it.

Facts:

- All their games are launched with us - spend loss is derisked
- King has signed up to GVP and not indicated that they are moving towards AB on the negotiation table - 90% (89.79% to be exact) of spend is derisked
- No new launches are coming in the near future

Do we have to rush to BC in December when we can in fact negotiate and have the time to do so? (again, not sure if we can with the number of leaders across GP trying to make this happen sooner).

Also, if we commit \$50m to ABK for YouTube, we will eventually be forced to do the same for Riot (a bigger franchise), Tencent (with PUBG Mobile growing like it is) too. I do see another mid-year trip to BC which would not be good. This is the time to hold firm.

Have pinged Jeanne to set up some time for us today.

Regards,
Karan

On Tue, Dec 3, 2019 at 7:17 AM Lawrence Koh <[REDACTED]@google.com> wrote:

Agree that the framework for this is still within the GVP construct but the key difference I see is the approach we're taking with ABK (line item by line item transactional) vs. the recent discussions our exec team had with Tencent (which if I understood correctly is more collaborative with an aligned objective on identifying levers to support their growth). To Purnima's point, we need to be thoughtful here given that all of these conversations are linked.

To answer Lei's questions:

1) \$1B Play spend projection seems unrealistic - more like \$300M (CoDM+Hearthstone) based on current runrate or \$500M max

LK: this \$1B assumption includes King's ~\$700M Play business

2) Is \$35M ad credits outside of GVP?

LK: technically we should be able to find ways to make this work but it will come at the cost of having to reallocate another Hug partner's pool to make sure that we stay within the \$100M Hug Program UAC credit pool that we received approval for.

3) YouTube/eSports rights deal sounds fuzzy: is ~\$50M the right market price for such content? Can YouTube monetize \$30m/yr as they predicted? Even if yes, paying ABK \$20M net is not in the spirit of mutual growth. I.e. we should only pay monetizable amount (e.g. \$30M) as max.

LK: I chatted about this extensively with Ryan W and we both agree that the \$50M price is extremely aggressive and this will open up other issues for the ecosystem (ie we potentially create a valuation bubble for the games streaming content industry). I understand what Armin is asking for here and we've been brainstorming ideas. Will be happy to share the latest thinking on this when we sync up live.

4) Overall 10% is still too high and making it difficult to negotiate across Hug partners (at least Tencent, Riot and Supercell). That said, if the \$35M ad credit is funded by Ads (not Play) it reduces the total percentage to 6.5%

LK: agree

On Mon, Dec 2, 2019 at 11:56 PM Lei Zhang <[REDACTED]@google.com> wrote:

I feel this is still within the construct of GVP, compared to an outright revshare reduction that would trigger ecosystem wide policy change, even though each component is tied to % of Play revenue. Maybe that's just Karen's way of interpreting the proposal?

However I'm not quite sure about the following aspects of the counter proposal:

- 1) \$1B Play spend projection seems unrealistic - more like \$300M (CoDM+Hearthstone) based on current runrate or \$500M max
- 2) Is \$35M ad credits outside of GVP?
- 3) YouTube/eSports rights deal sounds fuzzy: is ~\$50M the right market price for such content? Can YouTube monetize \$30m/yr as they predicted? Even if yes, paying ABK \$20M net is not in the spirit of mutual growth. I.e. we should only pay monetizable amount (e.g. \$30M) as max.
- 4) Overall 10% is still too high and making it difficult to negotiate across Hug partners (at least Tencent, Riot and Supercell). That said, if the \$35M ad credit is funded by Ads (not Play) it reduces the total percentage to 6.5%

On Mon, Dec 2, 2019 at 8:27 PM Purnima Kochikar <[REDACTED]@google.com> wrote:

FYI. the most salient point is that this offer conflicts with our approach with the Tencent deal team - Steven Ma and team. Sameer said any change to rev share makes us uncompetitive with Apple.

We need to be extremely careful here.

+Lei Zhang as he will be speaking with the Tencent team during Playtime.

Let's find time for a quick call tomorrow. I will be working from home again.

P

----- Forwarded message -----

From: **Purnima Kochikar** <[REDACTED]@google.com>

Date: Tue, Nov 26, 2019, 3:52 PM

Subject: Re: ABK update - Armin mtg 11/26

To: Karen Aviram Beatty <[REDACTED]@google.com>

Cc: Lawrence Koh <[REDACTED]@google.com>, Sunil Rayan <[REDACTED]@google.com>, Erica Larson

<[REDACTED]@google.com>, Ryan Wyatt <[REDACTED]@google.com>, Marc Theermann

<[REDACTED]@google.com>, Shanna Prevé <[REDACTED]@google.com>, Donald Harrison

<[REDACTED]@google.com>, Gabe Kronstadt <[REDACTED]@google.com>

Hi Karen,

Thanks for the detailed update. This is progress!

A couple of quick responses/caveats and a question for Don

UA credit - as long as the terms stay the same, we can find the extra \$10M this year. We will need to get BC approval for the two additional years. (I am assuming Armin understands that credits are earned, and the he is signing up to spend \$30M extra for the additional \$10M in credits in 2020. King is not able to keep their end of the bargain at this time).

GCP - [@Sunil Rayan](#) can you find the extra 0.5% through GCP discounts, migration incentives etc? (I will also sync up with Play Leads and Play Finance on this)

YT - Sameer is open to the idea of using GCP like approach to YT credits/eSports sponsorship, if we tie the funding to Play performance. I would also like to see YT commitment for Account Linking, and addressing some of tg product gaps that Hug Partners have brought up, to be able to make this truly accretive in the longer run. ([@Lawrence Koh](#) [@Ryan Wyatt](#) would you please run point in this. Lawrence, please sync up with Samer. He did a lot of the ground work for GCP credits).

Question for Don - would you like for us to work to figure out how we get this deal done or would you also like to talk to Bobby about how this puts us at a disadvantage with Apple (as we did with the Tencent leadership)? As Steven Ma mentioned that are discussing all this as a "family".

P

On Tue, Nov 26, 2019, 3:23 PM Karen Aviram Beatty <[\[REDACTED\]@google.com](#)> wrote:

Hi team,

I just spoke with Armin. He didn't send me a term sheet in writing (as he said he would), but he did just walk me through their counter-proposal over the phone.

Tldr: ABK wants a 3 year deal and \$100M in credits (with some fuzzy math in there regarding eSports). They would like to move quickly and there is pressure (on both ends) to secure these funds/this deal before the holidays. Armin reviewed this proposal with Bobby (who blessed it) as well. Meeting internally with finance and xPA teams next week to discuss strategy and prep for BC review (Dec date TBD).

Overall feedback:

- Armin tried to stick with the structure we have been proposing to them, which I did appreciate.
- They want ~\$100M credits per year, for 3 years.
- Armin's proposal is based on \$1B run rate in gross sales right now; and 2020 is projected at \$1.1B (which is how he got to the \$100M-\$110M total credit number they are seeking in order to do a deal).

Stadia

- ABK wants to talk about Stadia only after this x-PA deal framework has been agreed upon
- i.e. they don't see e.g. Stadia NRE credits (or other support) counting towards their \$100M number

Play: \$20M

- ABK wants \$20M in UA credits (vs the \$10M we offered them)

Ads: \$35M

- ABK wants \$35M in ad credits for a \$115M DVIP deal across A+B+K.
- They calculated this using 30% of the DVIP commit in credits.
- They are open to increasing the DVIP commit each year, for more credits respectively (using that 30% ratio)

Cloud: \$25M or 2.5% of play spend in credits

- ABK wants 2.5% of play spend in credits (vs the 2% we offered them)
 - e.g. This could be equivalent to \$25M in credits (vs the \$20M we offered them)
- ABK Cloud commit = \$120M over 3 years. (Although Armin hinted there is room here, and could potentially stretch to \$150M over 3 years.)
 - Cloud commit conditional: on competitive pricing, service level, help with integration (i.e. same items mentioned on our last call)

YouTube: ~\$20M (although "fuzzy" math to me on this one...here goes:)

- ABK wants YT to purchase exclusive rights (excluding China) to the total eSports portfolio. This includes: Overwatch League, Call of Duty League, and the rest of the eSports portfolio (Hearthstone, World of Warcraft leagues, etc).
- They want this on a "2 + 1" year basis i.e. we pay for 2 years and they have the option to extend for the 3rd year. The payment structure is as follows:
 - **\$50M** for Year 1
 - **\$60M** for Year 2
 - Option for Year 3, likely around **\$70M**
- From these payments, we "deduct" the following (per year):
 - **\$20M** in revenue that YT generates from their content
 - **\$10M** in sponsorship integrations, e.g. Tmobile, Coca-Cola ad spend on YT
- ABK sees this as: $\$50M - \$20M - \$10M = \$20M$ that Google pays (for Year 1)

>> This totals: \$100M in total credits across the PAs.

If anyone is around tomorrow, please let me know - I am in the office and happy to discuss. Otherwise, we'll meet early next week.

In the meantime, let's continue to think about BC positioning. I really like the last idea we discussed, focused around offering two options:

- 1) specific \$ credits per PA (as exists in our current construct)
- 2) moving **all** the credits to % of play spend. If ABK is right with their projections, the credits should be in line with their ask of \$100M. If we are correct (and revenue will not be \$1B+), then we would pay out less in credits.

For example: We pay as a percentage of Play spend: 2-3% in eSports sponsorships, 2-2.5% in Cloud credits, 1-2% in Play co-marketing credits, and 3-4% in Ads credits. You get the idea, but it should add up to 10% ideally.

Looking forward to discussing.

Please let me know if you have any questions.

Thanks,
Karen

Karen Aviram Beatty | Managing Director, Global Partnerships

| | @google.com | Direct: . Mobile: .

On Wed, Nov 20, 2019 at 11:42 PM Karen Aviram Beatty <@google.com> wrote:

Hi team,

Here is an update from my call with Armin today.

Tldr: Overall a positive call in terms of relationship and tone. Consistent messaging we've heard from him before. He is going to take our latest proposal, plus conversations we had today (details below) and send us a term sheet early next week.

Overall xPA deal feedback:

- Armin said that any deal construct that doesn't get them to a 20% Play rev share won't work for them.
- I told Armin that 20% (of X) was a moving target, since Play revenues are variable with the new launches etc. Armin calculated that the 20% (vs 30%) rev share was equivalent to about \$100m-\$110m (i.e. what we've have to make up in credits)
- His estimates are based on X = \$1.1b - \$1.2b in Play revenue in 2020

YouTube:

- Armin wasn't too interested in the eSports event we offered to host in APAC. He'd rather the funds are provided in ad credits instead.
- ABK is not going to sell the rights (even if non-exclusive) for only \$2.5m (per Armin)
- He reiterated again that Bobby wants a win here
- Armin was VERY interested in Google buying exclusive rights to Overwatch League, Call of Duty World League, other content. However when I asked him how much it would cost, he asked if I was "sitting down" :). And said:
 - Overwatch League = \$50m
 - Call of Duty League = \$20m
 - rest of content = \$10m
- I responded that I would relay this information back to the teams, but that it was unlikely we would pay that much. He wasn't surprised and said he heard the same from a number of our execs (Robert/Susan...)
- Armin DID ask that I come back with feedback on these numbers though and ideally share what we *would* pay for these exclusive rights.

Timing / Cloud

- Armin again reiterated that they want to conclude deal terms and chose a partner before the holidays.
- When I responded that the Cloud team will need at least 60 days to pull together their deal, he understood and committed to the following:
 - IF (1) Cloud pricing is competitive (equal or lower vs other offers) and (2) our Cloud tech can be implemented without negatively impacting their consumer experiences, AND (3) Google provides resources to help with the transition, THEN ABK would be willing to put a Cloud commitment into the term sheet.
- Armin said that they were talking to two other Cloud companies as well.

Stadia

- Armin said that Friday was a great meeting - very well received (nice job, Shanna and team!)
- ABK is working to turn around a term sheet back to the Stadia team
- Armin said that Stadia only makes sense for ABK if they get the bigger xPA deal (Armin said they won't partner with Stadia otherwise)

IN SUMMARY:

- We offered \$72m in credits. Armin says they need at least \$100m in credits.
- He *thinks we could potentially* make up the difference with YT esports licencing.
- They are optimistic about the Cloud opportunity

- They are less interested in a Stadia partnership if we don't do the holistic deal

NEXT STEPS:

- **Based on our discussion, Armin agreed to get back to me with a specific term sheet proposal on Monday/Tues next week.** (He will pull together their deal term sheet this week and has time to review with Bobby on Sunday this weekend.)

- **Armin asked that I provide one more piece of input by the end of the week: What would Google be willing to pay for Exclusive Rights to Overwatch League and Call of Duty World League?** (Lawrence/Marc - I have some thoughts here and will grab time to discuss)

Let me know if you have any questions! Will of course forward along the term sheet when I hear back from Armin early next week as well.

Karen

Karen Aviram Beatty | Managing Director, Global Partnerships

| | @google.com | Direct: . Mobile: .

--

Lei Zhang

Head of BD Greater China
Google Play

--

Lawrence Koh
Google Play Games
@google.com
cell:

--

Mike Marchak | Google, Inc

--

Lawrence Koh
Google Play Games

Lawrence Koh@[google.com](mailto:lawrence.koh@google.com)

cell: [REDACTED]